

Ebury What borders?

Ebury Romania Spanish Breakfast

18th October 2024

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Agenda



- 01 Romania internally.
- 02 Romania in a broader picture.
- 03 Romania-Spain trade relationship.
- 04 Ebury FX Forecasts.
- 05 Upcoming Ebury events.

01

Romania internally.

● Romania internally.

Romania has recently been characterised by high inflation, plaguing the entire CEE region.

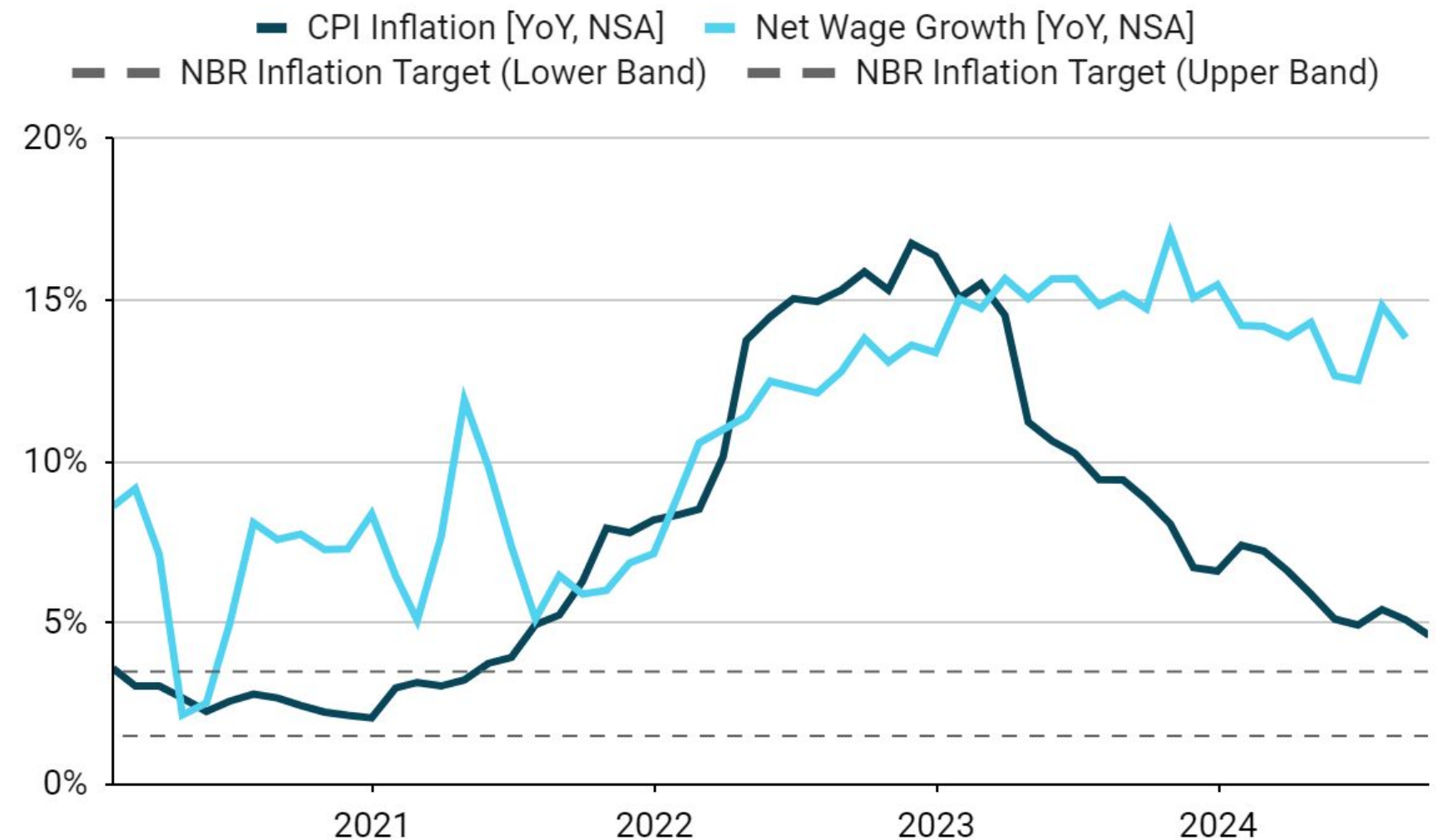
- It currently stands at **4.6% in nominal terms, CORE 2 at 5.8%.**

Due to high wage growth and fiscal policy measures, it is likely to remain at an elevated level in 2025 (~4%).

- In turn, this might dilute the NBR's monetary easing, with **the benchmark interest rate at 6.5%**

Inflation off highs, but high for longer.

Romania CPI Inflation & Net Wage Growth [YoY, NSA] (2020-2024)



Source: INS via Bloomberg
Date: 18/10/2024

● Romania internally.

However, the economy has been **remarkably resilient** and, despite tight monetary conditions, is doing very well – particularly as compared to other European countries.

- A **near double-digit real wage growth** should continue to translate into increased domestic demand if consumer sentiment improves.

The guiding uncertainties are **debt control**, which is reaching record levels YTD, and the **autumn elections**.

Impressive economic results.

Romania Real Retail Sales [YoY] (2022 - 2024)



Source: Bloomberg
Date: 18/10/2024

02

Romania in a broader picture.

● Romania in a broader picture.

As mentioned, Romania has been **one of the fastest-growing economies in Europe** in recent years and is expected to keep this title.

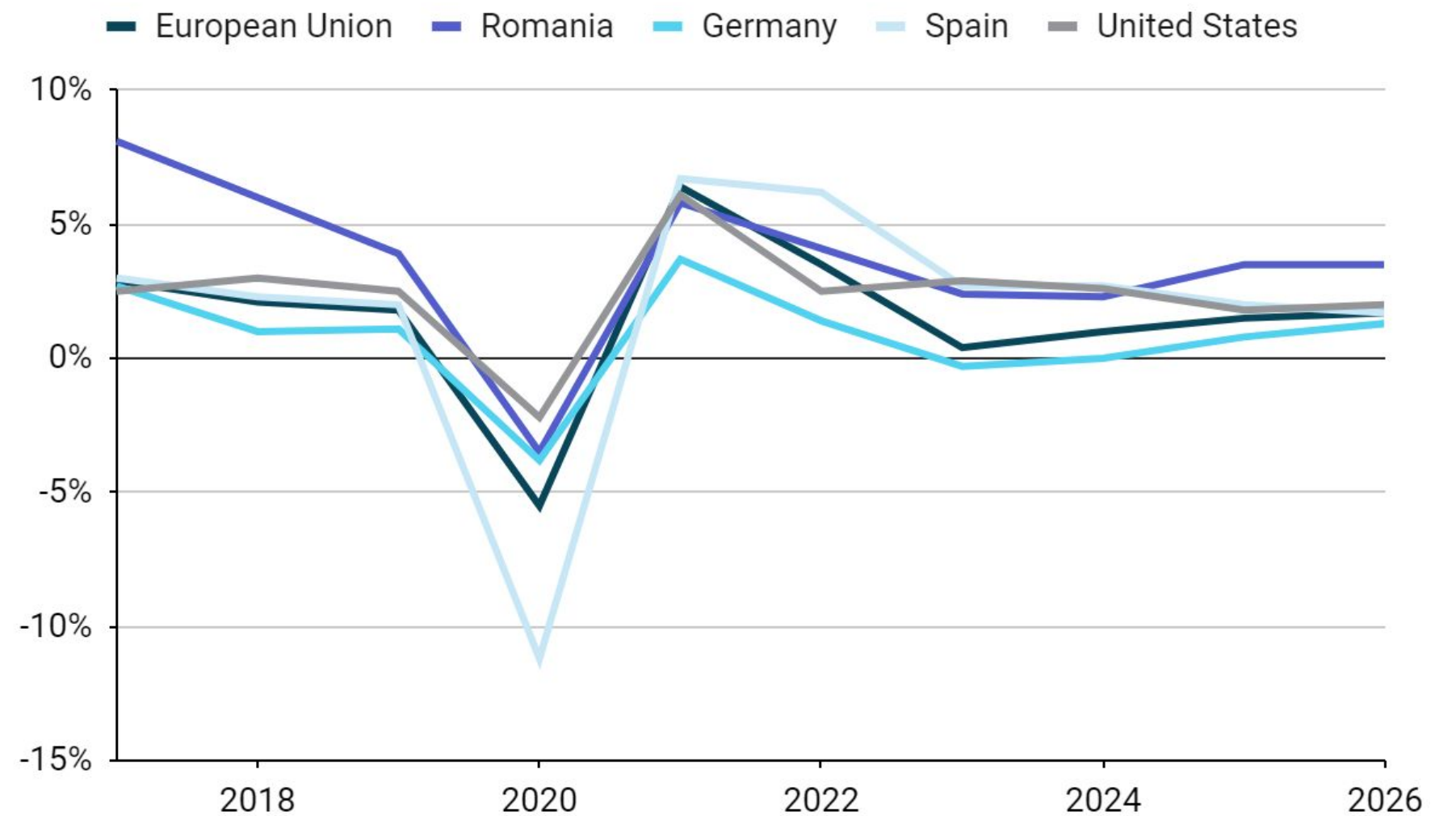
- Growth is projected to place at around **3.5% in the following years.**

The country also places very high as with regards to **economic complexity.**

- 19th worldwide in the ECI ranks, with Spain at no. 34.

High-hopes for the future.

Real GDP Growth in Selected Countries
[YoY] (2017 - 2026)



Source: Bloomberg
Date: 18/10/2024

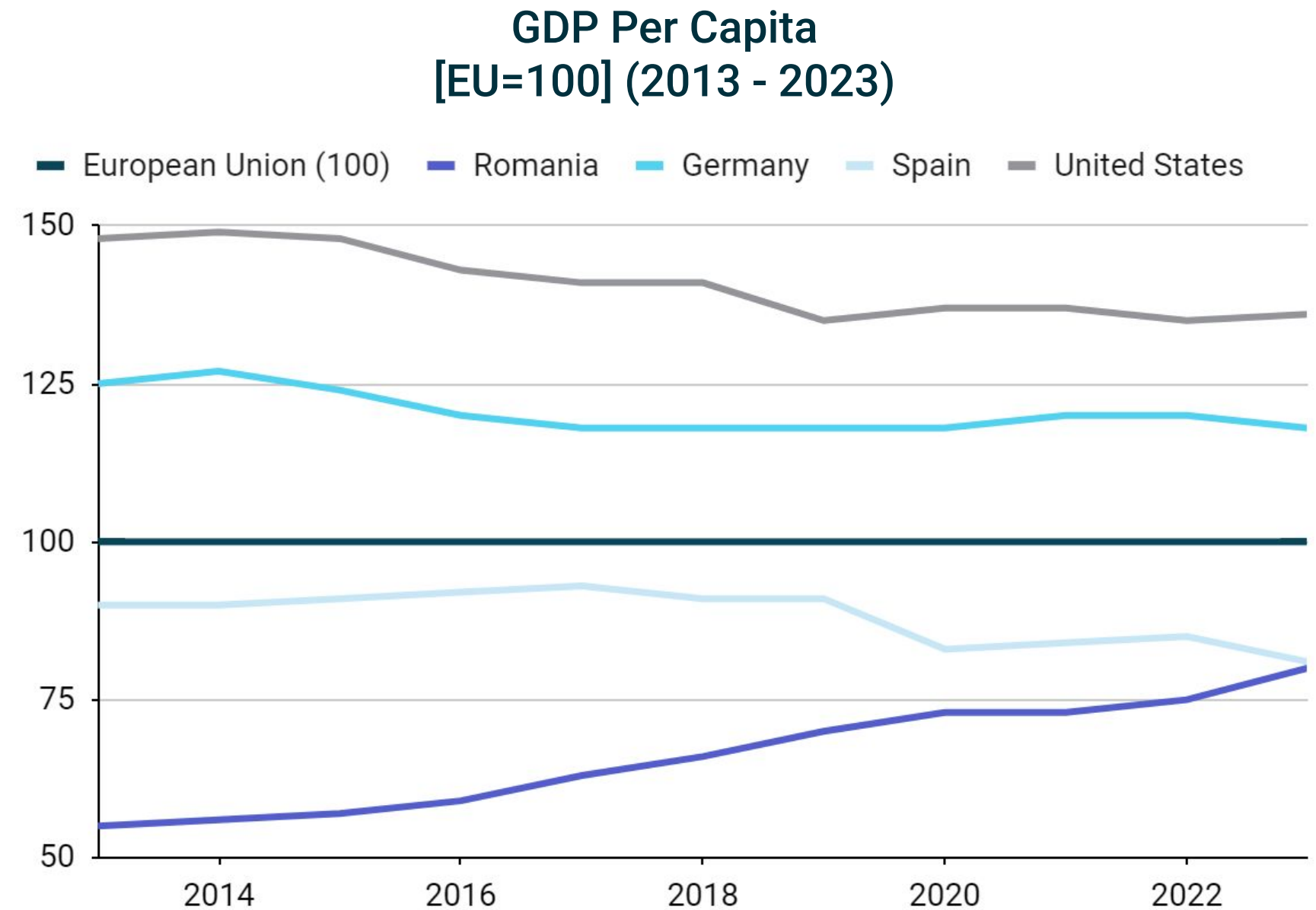
● Romania in a broader picture.

Due to the size of the country, the **Romanian economy is much smaller than the Spanish one in nominal terms.**

- Romania: 19.5 mln inhabitants
 - PPP GDP: \$818 billion
- Spain: 47.5 mln inhabitants
 - PPP GDP: \$2.5 trillion

That said, **PPP per capita it's quickly catching up**, now hovering around the same level.

On the way up.



Source: EUROSTAT
Date: 18/10/2024

03

Romania-Spain trade relationship.

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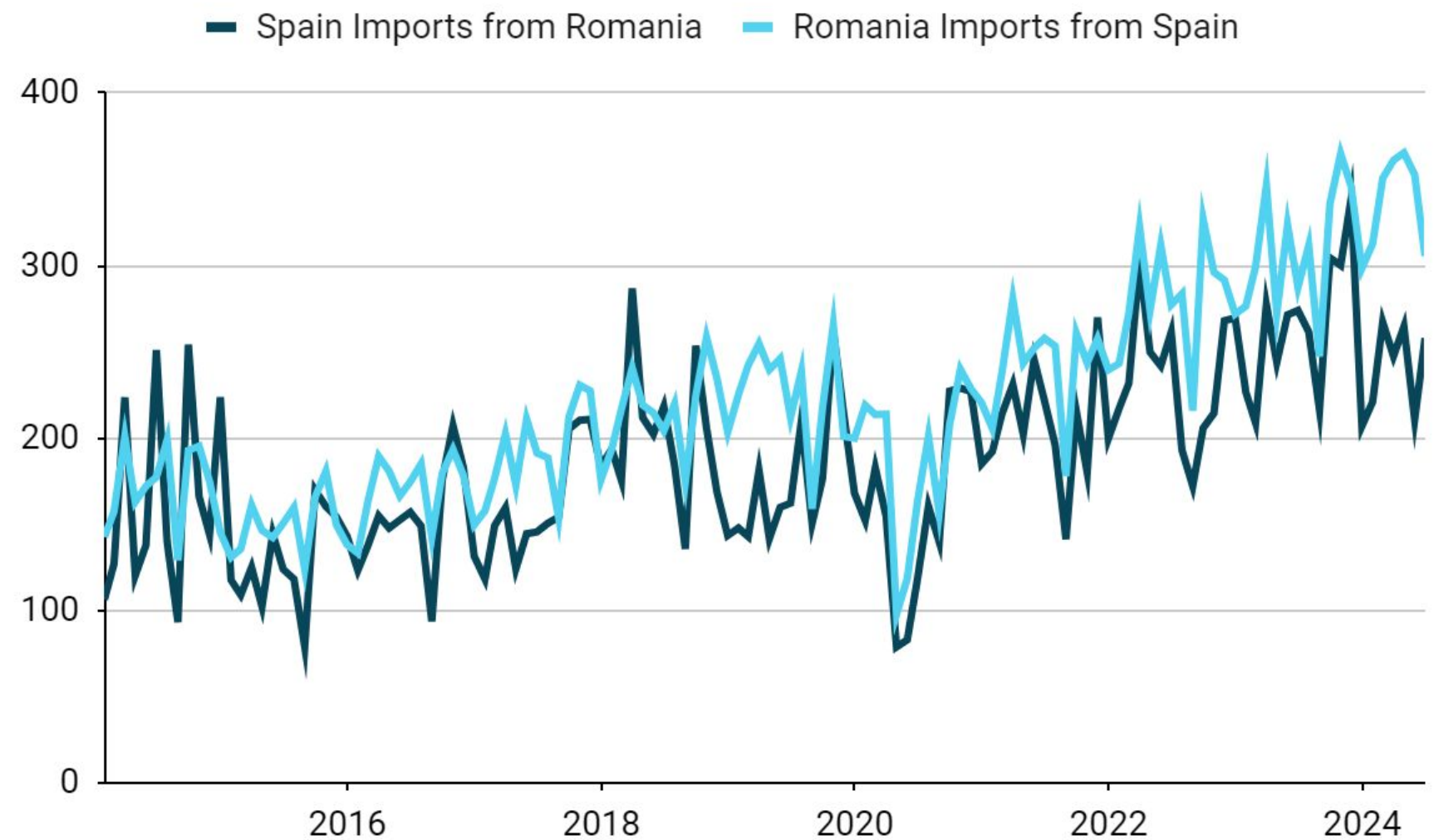
In the overall structure of Romanian trade, **the automotive sector is a very important element** (29% of all exports, 12% of GDP)

➤ **Bucharest is also recognised for being a leading startup ecosystem**, particularly with regards to AI.

Besides these, as both Romania and Spain (9th largest exporter worldwide) **are known for their agriculture**, it is the key element of trade between the countries.

Cars, AI & agriculture.

Spain-Romania Trade
[\$ mln] (2014 - 2024)



Source: IMF via Bloomberg
Date: 18/10/2024

● Romania-Spain trade relationship.

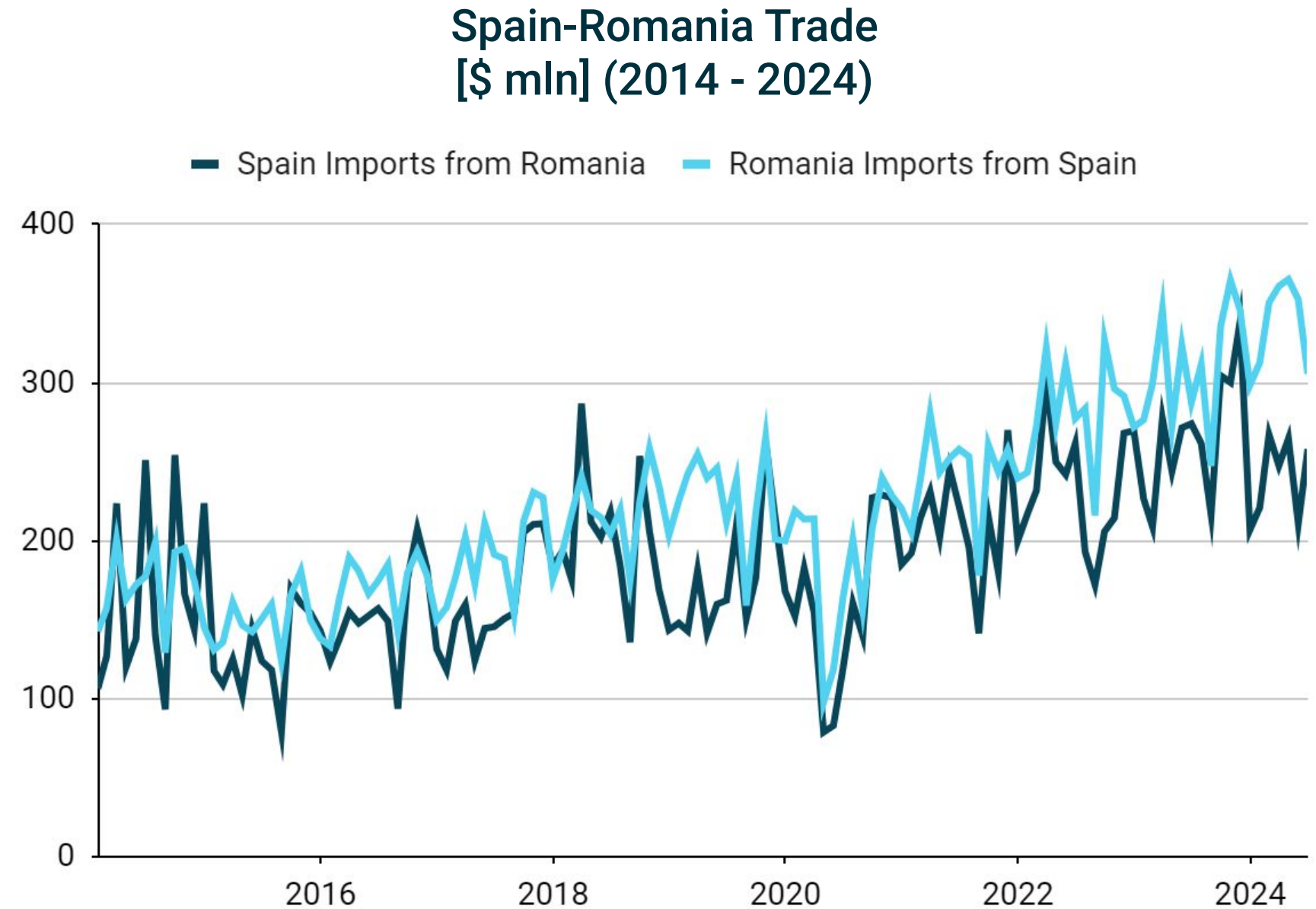
Exports from Spain to Romania (2022)

- Total: \$3.1 billion
- Top 3 revenue:
 - Pig meat (\$292 mln, 9.4%),
 - Cars (\$224 mln, 7.2%)
 - Engines (\$169 mln, 5.5%)

Exports from Romania to Spain (2022)

- Total: \$2.9 billion
- Top 3 revenue:
 - Cars (\$379 mln, 13.1%)
 - Corn (\$308 mln, 10.6%)
 - Motor vehicles (\$240 mln, 8.3%)

Spanish-Romanian ties.



Source: IMF via Bloomberg
Date: 18/10/2024

04

Ebury FX Forecasts.

Scan for our latest CEE FX Outlook



Ebury FX Forecasts.

	EUR/USD	USD/RON	EUR/RON	GBP/RON
E-2024	1.10	4.53	4.98	5.93
Q1-2025	1.11	4.49	4.98	5.92
Q2-2025	1.12	4.46	4.99	5.92
Q3-2025	1.13	4.42	4.99	5.92
E-2025	1.14	4.39	5.00	5.92

05

Upcoming Ebury events.

● Upcoming Events.

US Election Preview Webinar.

November's US Election is shaping up to be a very close race.

Will Donald Trump return to the White House?
Or will Kamala Harris become the first female president?

We will be holding our next webinar on the subject,
assessing the policy and FX implications of the vote.

Wednesday 30th October 2024

14:00 BST, 16:00 EEST

Register

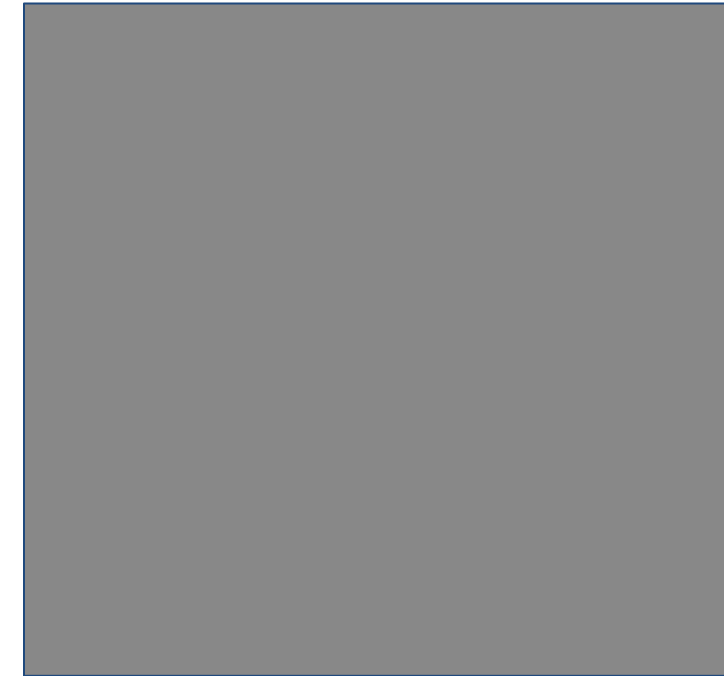


Chart sources are LSEG Datastream and Bloomberg unless stated otherwise.

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